



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 9, 2013

Board of Supervisors
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First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer *WTF*

REPORT BACK ON BUDGETED UNFILLED POSITIONS (AGENDA OF JUNE 24, 2013, ITEM NO. 5-G)

On June 24, 2013, on motion of Supervisor Antonovich, the Board of Supervisors (Board) directed the Chief Executive Office (CEO) to: (1) **Conduct a review** every 90 days of vacant budgeted positions, to identify those positions that have been vacant for 90 days or more and the unspent appropriation that can return to the County's general fund; (2) **Report to the Board** in writing every 90 days with the amount of funds that can be returned to the general fund and transfer these funds in all mid-year budget adjustments; and (3) **Report to the Board** with a clarification of salary savings by department.

In response to conducting a review every 90 days to identify positions that have been vacant for 90 days or more, below is requested information followed by descriptions of each of the column headings.

"To Enrich Lives Through Effective And Caring Service"

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FY 2013-14 Adopted Budget
Data as of September 11, 2013

Fund	(1) Authorized ("Budgeted") Positions	(2) Funded Positions	(3) Vacant Funded Positions	(4) Vacant IFT/ Revenue Offset Positions	(5) Net Vacancies Column 3 minus Column 4	(6) Net Vacancies - 90 or More Days Vacant
TOTAL GENERAL FUND	72,507.0	67,999.0	3,098.0	1,637.0	1,461.0	312.00
TOTAL ENTERPRISE FUNDS	20,631.0	18,340.0	367.0	0.0	367.0	57.00
TOTAL SPECIAL FUNDS/ SPECIAL DISTRICTS	10,170.0	9,744.0	1,142.0	850.0	292.0	174.00
GRAND TOTAL	103,308.0	96,083.0	4,607.0	2,487.0	2,120.0	543.00

- (1) **Authorized ("Budgeted") Positions** - reflects the number of positions the department has authorization to hire, but not necessarily the funding to pay for all the positions.
- (2) **Funded Positions** - represents the number of positions for which the department has funding and can fill.
- (3) **Vacant Funded Positions** - reflects the number of funded positions that are vacant.
- (4) **Vacant IFT (Intrafund Transfers)/Revenue Offset Positions** (e.g., grant funded positions) - represents positions that are vacant, but will not result in savings because there will be a corresponding reduction in IFT/revenue due to the vacancy.
- (5) **Net Vacancies** - reflects funded vacancies less the Vacant IFT/Revenue Offset positions.
- (6) **Net Vacancies – 90 or More Days Vacant** - represents net vacancies which have not been filled within the last 90 or more days. Please note that the hiring freeze was recently lifted from departments and, therefore, we anticipate this number to decrease over the next three to nine months.

We will continue to provide your Board with this information quarterly.

In response to reporting to the Board every 90 days with the amount of funds that can be returned to the general fund and transferred in all mid-year budget adjustments, our office must conduct a comprehensive analysis of each department's entire budget to determine if there are any associated net County cost savings. While departments may have savings due to higher than expected vacancies, they may need to utilize the

associated savings to fund unanticipated increases in other areas. Also, positions may be held vacant due to lower than anticipated general departmental revenue, not related to grant funded positions and therefore would not result in savings. We will report back to the Board at the end of December with the amount of funds that can be returned to the general fund once our office has completed its 5th month Budget Status Report (BSR).

In response to Item 3 above, please note that salary savings is an adjustment to each department's gross salaries to more accurately reflect actual salary expenditures. Gross salaries are calculated based on the top step salary of each budgeted position. Salary savings looks at actual employee salary expenditures and includes such factors as top step variance (the actual step the employee is on compared to top step), under hires (the employee is holding a lower payroll title than the budgeted position), vacancies, hiring delays, and attrition.

Historically, some departments may have requested to add positions using existing resources. This provided departments with greater hiring flexibility in utilizing a variety of positions based upon their changing operational needs without increasing their budget. The department, in turn, would agree to keep a certain number of positions vacant. However, this practice of adding positions using existing resources has caused confusion with departments throughout the years. Therefore, we are revisiting this practice to reduce its occurrence.

Due to the complexities and dynamic nature of staffing, it has been challenging to obtain accurate and timely staffing information. With the recent implementation of eHR Position Control we now have access to this information. Therefore, we are working with departments and your offices to refine our methodology and policy to simplify the position budgeting process.

WTF:SHK:SK
AS:alc

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller